
By: **Delegate Gordon**

Introduced and read first time: February 9, 2004

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **State Personal Property Tax**

3 FOR the purpose of imposing a State personal property tax on certain personal
4 property at a certain rate; requiring the Board of Public Works to certify to the
5 governing body of each county the rate of State personal property tax on
6 assessable property; requiring the governing body of each county to collect the
7 tax; requiring certain revenues to be deposited in the General Fund of the State;
8 repealing the State property tax exemption for personal property; repealing an
9 obsolete provision of the property tax law; providing for the application of this
10 Act; and generally relating to the State personal property tax.

11 BY repealing and reenacting, with amendments,
12 Article - State Finance and Procurement
13 Section 8-134
14 Annotated Code of Maryland
15 (2001 Replacement Volume and 2003 Supplement)

16 BY repealing and reenacting, with amendments,
17 Article - Tax - Property
18 Section 6-301
19 Annotated Code of Maryland
20 (2001 Replacement Volume and 2003 Supplement)

21 BY repealing
22 Article - Tax - Property
23 Section 7-301
24 Annotated Code of Maryland
25 (2001 Replacement Volume and 2003 Supplement)

26 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
27 MARYLAND, That the Laws of Maryland read as follows:

1 **Article - State Finance and Procurement**

2 8-134.

3 (a) (1) Subject to the provisions of subsection (b) of this section, on or before
4 May 1 of each year, the Board shall certify to the governing body of each county the
5 rates of State tax on:

6 (I) assessable REAL property needed to meet the debt service
7 requirements during the next taxable year on all the State bonds that the Board
8 anticipates will be outstanding during that year; AND

9 (II) ASSESSABLE PERSONAL PROPERTY AS PROVIDED IN
10 PARAGRAPH (2) OF THIS SUBSECTION.

11 (2) FOR PERSONAL PROPERTY THAT IS DESCRIBED IN § 6-301(C) OF THE
12 TAX - PROPERTY ARTICLE, THE BOARD SHALL CERTIFY A RATE THAT IS 2.5 TIMES THE
13 RATE FOR REAL PROPERTY.

14 [(2)] (3) Each governing body immediately shall collect the tax at the
15 rates the Board certifies under this section.

16 (b) If, on or before May 1 of any year, the Comptroller certifies to the Board
17 that the General Assembly has appropriated enough money to meet the debt service
18 requirements during the next taxable year on an issue of State bonds:

19 (1) the Board, by resolution, may determine that the tax otherwise
20 required by the enabling act under which those State bonds are issued need not be
21 imposed for that year; and

22 (2) the Governor, by proclamation issued under the resolution, shall
23 declare that the taxes otherwise required by the enabling act may not be collected
24 during that year.

25 (C) STATE PERSONAL PROPERTY TAXES COLLECTED UNDER THIS SECTION
26 SHALL BE DEPOSITED IN THE GENERAL FUND OF THE STATE.

27 **Article - Tax - Property**

28 6-301.

29 (a) Except as provided in subsection (b) of this section, the Board of Public
30 Works annually shall set the rates for State property tax for the next taxable year as
31 authorized by the General Assembly.

32 [(b) (1) Intangible personal property is subject to State property tax as
33 otherwise provided in this title at the rate set annually by the Board of Public Works
34 under subsection (a) of this section, if:

1 (i) the intangible personal property has paid interest or dividends
2 during the 12 months that precede the date of finality;

3 (ii) interest or dividends were withheld on the intangible personal
4 property during the 12 months that precede the date of finality to avoid the tax under
5 this subsection;

6 (iii) the intangible personal property consists of newly issued bonds,
7 certificates of indebtedness, or evidences of debt on which interest is not in default; or

8 (iv) a stock dividend has been declared on the intangible personal
9 property during the 12 months that precede the date of finality.

10 (2) The State property tax rate for the intangible personal property may
11 not exceed 15 cents for each \$100 of an assessment.]

12 (B) THE STATE PROPERTY TAX RATE FOR PERSONAL PROPERTY SHALL
13 BE SET AS PROVIDED IN § 8-134 OF THE STATE FINANCE AND PROCUREMENT
14 ARTICLE.

15 [7-301.

16 All personal property is exempt from the State property tax.]

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
18 October 1, 2004, and be applicable to all taxable years beginning on or after July 1,
19 2005.